

Message Text

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PAGE 01 THE HA 04635 01 OF 02 220922Z
ACTION EB-08

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FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 3204
INFO AMEMBASSY BONN
AMEMBASSY LONDON
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LIMITED OFFICIAL USE SECTION 1 OF 2 THE HAGUE 4635

E.O. 11652: N/A
TAGS: EAIR NL
SUBJECT: CIVAIR: AIRPORT CONGESTION AND LOW FARES

REF: STATE 204905

1. SUMMARY. THIS IS JOINT MESSAGE OF AMCONSUL AMSTERDAM AND THE EMBASSY. FOLLOWING COMMENTS ARE BASED ON PERSONAL OBSERVATIONS AND CONVERSATIONS WITH LOCAL PAN AM OFFICIALS AND OTHERS AS INDICATED. MOST OF FACTS HAVE ALREADY BEEN INCLUDED IN PIECEMEAL REPORTS TO DEPARTMENT. IF DESIRED, WE CAN TAKE THIS SUBJECT UP WITH DUTCH AUTHORITIES. IF SO INSTRUCTED, WE BELIEVE IT WOULD BE HELPFUL TO HAVE DEPARTMENT'S GUIDANCE AND BACKGROUND INCLUDING AN OUTLINE OF THE STEPS THE USG IS TAKING OR PLANNING TO TAKE TO PROTECT THE FLYING PUBLIC AND THE COMPETITIVE POSITION OF CHARTER AIRLINES AS THESE ARE CONSIDERATIONS THAT DUTCH OFFICIALS HAVE TOLD US THEY INTEND TO RAISE DURING MODEL AGREEMENT NEGOTIATIONS. END SUMMARY.

2. AIRPORT PROCEDURES: PAN AM STANDBY OPERATION, THE FIRST
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PAGE 02 THE HA 04635 01 OF 02 220922Z

IN THE NETHERLANDS, PRESENTED SCHIPHOL AIRPORT AUTHORITIES WITH PROBLEMS, ESPECIALLY DURING FIRST MONTH. THE SELECTION OF PASSENGERS FOR PARTICULAR FLIGHTS THEN TOOK PLACE ON DEPARTURE LEVEL OF AIRPORT, IN AREA NOT NORMALLY USED BY REGULAR PASSENGERS. THE CROWDS BECAME BOISTEROUS ON ONE OR TWO OCCASIONS AND THE LARGE NUMBERS OF PASSENGERS OVERNIGHTING IN AIRPORT TERMINAL MADE CLEANING DIFFICULT AND

BLOCKED ACCESS TO NEARBY OFFICES. ON JULY 12, THE AIRPORT TRANSFERRED THE STANDBY OPERATION TO A BELOW GROUND AREA DESIGNED AS A PASSAGEWAY TO YET UNOPENED AIRPORT RAILWAY STATION. WE FEEL MOVE DID NOT COME AS SURPRISE TO PAN AM SINCE AIRLINE HAD KNOWN FOR SOME DAYS THAT AIRPORT WAS UNHAPPY WITH SITUATION. THERE HAS BEEN NO REAL BACKLOG SITUATION SINCE JULY 12 AND AIRPORT NOW APPEARS CONTENT LET STANDBY OPERATION CONTINUE IN PRESENT LOCATION. AIRPORT RR STATION DUE TO OPEN IN DECEMBER, 1978, HOWEVER, AND AREA WOULD PRESUMABLY NO LONGER BE AVAILABLE FOR SUCH USE AFTER THAT TIME.

3. PASSENGER BACKLOG: WHEN PAN AM WAS ORDERED TO DISCONTINUE ITS WAITING LIST REGISTRATION ON JULY 11, IT WAS REGISTERING PASSENGERS FOR ITS JULY 23 FLIGHT. SINCE EACH FLIGHT CARRIED 184 PASSENGERS, THIS MEANT BACKLOG OF SOME 2,000. THE EXPECTED CRUNCH NEVER MATERIALIZED AND THERE HAS BEEN NO SIGNIFICANT BACKLOG AT SCHIPHOL SINCE THAT TIME. THIS IS ESPECIALLY SURPRISING SINCE PAN AM HERE HAS TOLD US ALMOST 90 PERCENT OF TOTAL TICKETS SOLD FOR STANDBY FLIGHTS WERE ROUND TRIP TICKETS. WE ASSUME MANY ROUNDTrip PASSENGERS RETURNED TO THE U.S. EITHER AFTER THE LOW FARE PERIOD OR VIA OTHER AIRLINES, SINCE THEY WERE ABLE TO CONVERT THEIR PAN AM RETURN TICKETS IN PARTIAL PAYMENT OF RETURN TRAVEL.

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PAGE 03 THE HA 04635 01 OF 02 220922Z

4. RLD INTEREST: THE DUTCH AVIATION SERVICE (RLD) HAS SHOWN GREAT INTEREST IN THE PAN AM OPERATION. OBSERVATION OF OPERATION BY RLD OFFICIALS PRIOR TO JULY 11 RESULTED IN ORDER THAT PAN AM DISCONTINUE ITS REGISTRATION SYSTEM AND RLD CONTINUED MONITOR SITUATION DAILY FOR SEVERAL DAYS THEREAFTER. RLD OFFICIAL TOLD CONGEN ON SEVERAL OCCASIONS DURING THAT TIME THAT HE WAS SATISFIED POST JULY 12 OPERATION RUNNING WELL. AIRPORT PLAN TO MOVE STANDBY OPERATION TO BELOW GROUND AREA APPARENTLY WAS DISCUSSED IN ADVANCE WITH RLD. RLD OFFICIAL TOLD CONGEN FEW DAYS BEFORE MOVE THAT HE HAD ADVISED AIRPORT TO CONTINUE OPERATION WHERE IT WAS. HE SAID AIRPORT MUST EXPERIENCE PROBLEMS CONNECTED WITH STANDBY FLIGHT TO DETERMINE WHETHER IT COULD HANDLE THIS TYPE OPERATION.

5. DIVERSION OF PASSENGERS FROM OTHER AIRPORTS: DURING ITS FIRST MONTH, WHICH WAS PERIOD WHEN SERIOUS BACKLOG SITUATION DEVELOPED, PAN AM STANDBY FLIGHT ATTRACTED

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PAGE 01 THE HA 04635 02 OF 02 220911Z

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LIMITED OFFICAL USE SECTION 2 OF 2 THE HAGUE 4635

PASSENGERS FROM NEIGHBORING COUNTRIES, BUT THERE ARE NO STATISTICS AVAILABLE ON THIS. THEY WERE SIMPLY ATTRACTED BY THE LOW FARE, THE LOWEST EVER, WE THINK, ON A SCHEDULED FLIGHT. SINCE LATE JULY, SOME PASSENGERS STRANDED IN LONDON HAVE COME HERE TO TAKE THE PAN AM STANDBY FLIGHT BUT NEVER IN LARGE NUMBERS. WE WERE TOLD THERE WERE 30 TO 35 ON A FEW DAYS. SOME TEN PERSONS CURRENTLY COME FROM LONDON EACH DAY TO FLY STANDBY ON PAN AM. THE \$100 LONDON-AMSTERDAM AIR FARE HAS PROBABLY KEPT OTHERS FROM COMING HERE FOR THAT PURPOSE. THERE IS NOTHING TO INDICATE THAT DIVERSION OF PASSENGERS FROM OTHER AIRPORTS HAS BEEN A SIGNIFICANT FACTOR IN THE OPERATION.

6. EDUCATION PROGRAMS: IT WAS OBVIOUS IN EARLY JULY THAT MANY PAN AM STANDBY PASSENGERS DID NOT OR WOULD NOT UNDERSTAND STANDBY CONCEPT. MANY COMPLAINED BITTERLY ABOUT LONG WAITING PERIODS. IT APPEARED AIRLINE MAY NOT HAVE DONE ALL IT COULD HAVE TO ALERT TRAVELERS OF POSSIBILITY OF DELAYS. PAN AM'S LOCAL REGISTRATION SYSTEM WAS IN FACT A RESERVATION SYSTEM WHICH NEGATED STANDBY CONCEPT AND ANGERED MANY PASSENGERS WHO WANTED STRAIGHT STANDBY OPERATION.

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PAGE 02 THE HA 04635 02 OF 02 220911Z

7. VISITING MASSPORT OFFICIALS: A TOP LEVEL FOUR MAN DELEGATION FROM THE MASSACHUSETTS PORT AUTHORITY CAME HERE JULY

14 (AMSTERDAM'S 718) ON A STUDY AND QUOTE MERCY UNQUOTE MISSION, ALTHOUGH THE TROUBLES CONNECTED WITH STANDBY FLIGHT HAD LARGELY EVAPORATED BY TIME THEY CAME. DURING VISIT, MASSPORT OFFICIAL TOLD SCHIPHOL OFFICIAL THAT LOGAN AIRPORT IS NOT EQUIPPED TO HANDLE TYPE AND VOLUME OF PASSENGERS ATTRACTED BY STANDBY OPERATION. HE SAID IF THIS BECAME TRAVEL PATTERN OF FUTURE, AIRPORTS AS THEY NOW EXIST WOULD GO OUT OF BUSINESS. MASSPORT HAD PLANNED TO USE CHARTER PLANE TO RELIEVE STANDBY CONGESTION HERE AND IN BOSTON. SCHIPHOL OPERATING MANAGER TOLD GONGEN HE DID NOT FAVOR SUCH PLAN BECAUSE HE FELT MOVEMENT OF PASSENGERS WAS RESPONSIBILITY OF AIRLINE AND NOT THAT OF AIRPORT AUTHORITY.

8. CURRENT SITUATION: PAN AM STANDBY OPERATION HAS BEEN RUNNING, SMOOTHLY SINCE JULY 12, AND THERE HAS BEEN NO BACKLOG SITUATION. IN FACT THE FLIGHTS HAVE BEEN RUNNING LIGHT. FLIGHTS FROM BOSTON HAVE ARRIVED WITH SOME 40 PERCENT VACANCY SINCE ABOUT JULY 30. DURING PAST WEEK, FLIGHTS LEAVING AMSTERDAM FOR BOSTON HAVE DEPARTED WITH 15 TO 20 PERCENT OF SEATS UNFILLED. WHILE THE STANDBY AUTHORIZATION IS SCHEDULED TO EXPIRE SEPTEMBER 15 DUTCH HAVE INDICATED WILLINGNESS TO EXTEND APPLICATION AT LEAST THROUGH OCTOBER.

15. WE DOUBT THAT PAN AM WILL WANT TO EXTEND UNLESS ITS BOOKINGS INCREASE SHARPLY. WE UNDERSTAND FROM PAN AM THAT AIRLINE HAS SET 90 PERCENT OCCUPANCY AS ITS BREAK-EVEN POINT. A PAN AM SOURCE HAS ALSO TOLD US STANDBY FLIGHTS HAVE HAD ADVERSE EFFECT ON REGULAR BUSINESS FROM AMSTERDAM. HE SAID SOME PASSENGERS WERE SCARED OFF BY POOR PUBLICITY, WHILE LIMITED OFFICIAL USE

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PAGE 03 THE HA 04635 02 OF 02 220911Z

OTHERS SIMPLY COULD NOT CONTACT PAN AM TICKET OFFICE BY PHONE BECAUSE LINES WERE TIED UP CONTINUOUSLY BY INQUIRIES FOR STANDBY OPERATIONS. (IN THE FUTURE, PAN AM SHOULD CONSIDER USE OF A TAPED TELEPHONE MESSAGE, INDICATING THE TERM OF EXPECTED DELAY FOR STANDBY PASSENGERS, WHILE GIVING ANOTHER TELEPHONE NUMBER FOR QUERIES REGARDING REGULAR FIRST/CLASS-ECONOMY RESERVATIONS. THE USE OF A TAPED STATUS REPORT WOULD ALSO DETER SOME OF THE AIRPORT CONGESTION, IF TRAVELERS CALLING FROM OTHER PARTS OF NORTHERN EUROPE WERE MADE AWARE, VIA THIS DEVICE, THAT THERE WOULD BE A DELAY OF A SPECIFIC NUMBER OF DAYS FOR STANDBY TRAFFIC.)

9. FRENCH ATC SLOWDOWN: THERE IS NO EVIDENCE THAT FRENCH SLOWDOWN HAS HAD ANY EFFECT ON PAN AM STANDBY OPERATION FROM AMSTERDAM.

10. NEGOTIATION OF NEW BILATERAL: DUTCH OFFICIALS HAVE INDICATED TO THE EMBASSY THAT THEY WILL USE EXPERIENCE

GAINED FROM PAN AM STANDBY OPERATION AS BASIS FOR SEEKING
IN MODEL AGREEMENT TO PROVIDE ADEQUATE PROTECTION FOR FLYING
PUBLIC AND TO ASSURE MARKETING OPPORTUNITIES FOR CHARTER
AIRLINES (THE HAGUE 3669). AS PRESS REPORTS NOW INDICATE
THAT CAB AND OTHER U.S. AGENCIES ARE BEGINNING TO TAKE
MEASURES TO DEAL WITH THESE PROBLEMS, IT WOULD HELP US IN
DEALING WITH DUTCH OFFICIALS TO HAVE BACKGROUND AND GUIDANCE
ON WHAT U.S. IS DOING AND PLANNING TO DO TO OVERCOME THE
PROBLEMS AREAS WHICH WE KNOW ARE OF CONCERN TO THE DUTCH.
JOSEPH

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